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**TERREBONNE PARISH  
RECREATION DISTRICT NO. 8  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 20 2012**

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2011**

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**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

This discussion and analysis of the Terrebonne Parish Recreation District No. 8's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The net assets slightly increased by approximately 2% as a result of this year's operations. Net assets of our governmental activities increased by \$16,036. As a result of this year's operations, assets exceeded liabilities by \$725,427 (net assets).
- During the year, expenses were \$249,435 more than the \$20,650 generated in program revenues for governmental programs. General revenues of \$265,471 added to the program revenues helped to make up the shortfall to end the year with revenue exceeding expenses totaling \$16,036. This compares to last year when revenues exceeded expenses by \$24,593.
- Program expenses decreased by \$700.
- The General Fund ended the year with a fund balance of \$227,031, an increase of \$63,213 from the prior year. Included in the ending fund balance is \$3,639 considered non-spendable and reserved for prepaid insurance, \$89,150 committed for repairs and maintenance and \$100,000 reserved for fund balance reserves, with the remaining of \$93,024 unassigned and considered available to fund future years' budgets.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

***Government-Wide Financial Statements***

One of the most important questions asked about finances is, "Is the Terrebonne Parish Recreation District No. 8 as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Terrebonne Parish Recreation District No. 8.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Terrebonne Parish Recreation District No. 8 utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

Net assets increased from \$709,391 to \$725,427 or about 2%. In comparison, last year net assets increased by \$63,581 or about 10%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the net assets and changes in net assets of the governmental-type activities.

Condensed Statement of Net Assets

	2010	2011	Dollar Change	Percent Change
Current and Other Assets	\$ 531,841	\$ 617,280	\$ 85,439	16.1%
Capital Assets	486,791	439,614	(47,177)	-9.7%
<b>Total Assets</b>	<b>1,018,632</b>	<b>1,056,894</b>	<b>38,262</b>	<b>3.8%</b>
Current Liabilities	309,241	331,467	22,226	7.2%
<b>Total Liabilities</b>	<b>309,241</b>	<b>331,467</b>	<b>22,226</b>	<b>6.7%</b>
Invested in Capital Assets	486,791	439,614	(47,177)	-9.7%
Unrestricted	222,600	285,813	63,213	28.4%
<b>Total Net Assets</b>	<b>\$ 709,391</b>	<b>\$ 725,427</b>	<b>\$ 16,036</b>	<b>2.3%</b>

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

Condensed Statement of Activities

	2010	2011	Dollar Change	Percent Change
Total program expenses	\$(270,785)	\$ (270,085)	\$ (700)	-0.3%
Total program revenues	20,462	20,650	188	0.9%
<b>Net program income</b>	<b>(250,323)</b>	<b>(249,435)</b>	<b>(888)</b>	<b>-0.4%</b>
General revenues	274,916	265,471	(9,445)	-3.4%
<b>Change in Net Assets</b>	<b>24,593</b>	<b>16,036</b>	<b>(8,557)</b>	<b>-34.8%</b>
<b>Net Assets:</b>				
Beginning of the year	684,798	709,391	24,593	3.5%
End of the year	<u>\$ 709,391</u>	<u>\$ 725,427</u>	<u>\$ 16,036</u>	2.3%

Program revenues for the governmental activities increased slightly, while expenses decreased slightly

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The Terrebonne Parish Recreation District No. 8 uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health

The General fund reported an ending fund balance of \$285,813. This reflects an increase of \$63,213 from last year. Total revenues for the current year were \$286,121 – a decrease of 3% from the prior year.

Current expenditures for recreational activities were \$198,063, a decrease of 4% from prior year expenditures. Capital outlay equaled \$5,820, for equipment purchases. The result for the year was an excess of revenues over expenditures of \$63,213.

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$292,500
Amendments were made for:	
Decreased Ad Valorem taxes received	(9,900)
Increased Intergovernmental revenue	160
Increased fees and rentals	2,025
Increased Miscellaneous and Interest	525
Total revenue amendments	(7,190)
Amended Budgeted Revenues	\$285,310

Original Budgeted Expenditures	\$293,922
Amendments were made for:	
Decreased ad valorem tax deductions & adjustments	(2,400)
Increased current expenditures	6,526
Total expenditure amendments	4,126
Amended Budgeted Expenditures	\$298,048

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation of \$994,951, for governmental activities at year-end were \$439,614. This year there were no deletions and \$5,820 of additions of equipment. Depreciation of \$52,997 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 4 to the financial statements.

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2011*

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of next year's General Fund budget, adopted December 20, 2011 include:

Condensed Summary of Budgeted Finances	
	<u>2012</u>
Anticipated revenues	\$284,150
Expenditures	
Current	265,700
Capital outlay	<u>-</u>
Anticipated expenditures	<u>265,700</u>
Excess (deficiency) of revenues	18,450
<b>Fund Balance:</b>	
Beginning of the year	<u>3,362</u>
End of the year	<u><u>\$21,812</u></u>

The Board has committed \$20,000 in the 2012 budget for undesignated capital improvements and that the reserve for fund balances to remain at \$100,000.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 8's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Johnny Marks, Chairman  
1705 Highway 20  
Schriever, LA 70395  
Phone number 985-447-9040



## ***FINANCIAL SECTION***

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# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## ***INDEPENDENT AUDITOR'S REPORT***

To the Commissioners of the  
Terrebonne Parish Recreation District No. 8

We have audited the accompanying financial statements of the governmental activities and each fund of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2011 which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Terrebonne Parish Recreation District No. 8. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each fund of the Terrebonne Parish Recreation District No. 8 as of December 31, 2011, and the respective changes in financial position for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

To the Commissioners of the  
Terrebonne Parish Recreation District No. 8  
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In accordance with *Government Auditing Standards*, we have also issued a report dated May 5, 2012, on our consideration of the Terrebonne Parish Recreation District No. 8's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Stagni & Company*

Thibodaux, Louisiana  
May 5, 2012



**TERREBONNE PARISH RECREATION DISTRICT NO. 8**

**Statement of Net Assets**

**December 31, 2011**

**ASSETS**

Cash	\$ 324,038
Ad Valorem taxes receivable	21,360
Due from other governments	267,330
Receivable - miscellaneous	358
Prepaid Insurance	3,639
Meter Deposits	555
Capital Assets, net of accumulated depreciation	439,614
<b>TOTAL ASSETS</b>	<b><u>\$ 1,056,894</u></b>

**LIABILITIES**

Accounts payable and other accrued liabilities	\$ 1,422
Due to other governments	3,882
Deferred revenue	326,163
<b>TOTAL LIABILITIES</b>	<b><u>331,467</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	439,614
Unrestricted	285,813
<b>TOTAL NET ASSETS</b>	<b><u>\$ 725,427</u></b>

See notes to financial statements

**TERREBONNE PARISH RECREATION DISTRICT NO. 8****Statement of Activities - Governmental Activities****For the Year Ended December 31, 2011**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenue</b>		<b>Net Revenue (Expense)</b>
	<b>Expenses</b>	<b>Charges for services      Operating                                  Grants</b>	
Recreational activities	\$ 270,085	\$ 5,725      \$ 14,925	\$ (249,435)
Total governmental activities	<u>\$ 270,085</u>	<u>\$ 5,725      \$ 14,925</u>	<u>(249,435)</u>
<b>GENERAL REVENUES</b>			
Ad valorem taxes			259,887
State revenue sharing			4,661
Interest earned			923
<b>TOTAL GENERAL REVENUES</b>			<u>265,471</u>
<b>CHANGE IN NET ASSETS</b>			
<b>NET ASSETS:</b>			16,036
Beginning of year			709,391
End of year			<u>\$ 725,427</u>

See notes to the financial statements

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**

**Balance Sheet - Governmental Fund - General Fund**

**December 31, 2011**

**ASSETS**

Cash and cash equivalents	\$ 324,038
Ad Valorem taxes receivable	21,360
Due from other governments	267,330
Receivable - miscellaneous	358
Prepaid Insurance	3,639
Meter Deposits	555
<b>TOTAL ASSETS</b>	<b><u>\$ 617,280</u></b>

**LIABILITIES AND EQUITY**

Accounts payable and other accrued liabilities	\$ 1,422
Due to other governments	3,882
Deferred revenue	326,163
<b>TOTAL LIABILITIES</b>	<b><u>331,467</u></b>

**FUND BALANCE:**

Non-spendable - Reserved for Prepaid Insurance	3,639
Committed for:	
Fund Balance Reserve	100,000
Repairs & Maintenance	89,150
Unassigned	93,024
<b>TOTAL EQUITY</b>	<b><u>285,813</u></b>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF  
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET  
ASSETS:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - Capital assets	1,434,565	
Deduct - Accumulated depreciation	(994,951)	439,614
<b>Net assets of governmental activities</b>	<b><u>\$ 725,427</u></b>	

See notes to financial statements

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Fund - General Fund  
For the Year Ended December 31, 2011

**REVENUES**

Ad Valorem	\$ 259,887
State Revenue Sharing	4,661
Facility Rentals	4,200
TPCG Grant - Day Camp	15,825
Miscellaneous	625
Interest	923
<b>TOTAL REVENUES</b>	<b><u>286,121</u></b>

**EXPENDITURES**

General government - current	
Ad valorem tax deductions	19,025
Ad valorem tax adjustments	-
<b>Total general government - current</b>	<b><u>19,025</u></b>
Recreational - current	
Salaries & Wages	71,579
Payroll Taxes	4,713
Workmen's Compensation	3,189
Day Camp Program	4,587
Office Supplies	1,571
Gasoline & Oil	2,968
Operating Supplies	14,488
Utilities	13,012
Telephone	1,227
Other Contracts	7,011
General Liability Insurance	4,342
Building Insurance	21,780
Professional Fees	3,267
Accounting Fees	7,945
Building Maintenance & Repairs	6,062
Grounds Maintenance & Repairs	19,769
Equipment Repairs & Maintenance	10,553
<b>Total recreational - current</b>	<b><u>198,063</u></b>
Capital expenditures	<u>5,820</u>
<b>TOTAL EXPENDITURES</b>	<b><u>222,908</u></b>
Revenues over (under) expenditures	<u>63,213</u>

**FUND BALANCES**

Beginning of year	163,818
End of year	<b><u>\$227,031</u></b>

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES:**

Net change in fund balances per above \$ 63,213

Governmental funds report capital outlays as expenditures  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense

Add - Capital outlay	5,820	
Deduct - Depreciation expense	(52,997)	(47,177)
<b>Change in net assets - governmental activities</b>		<b><u>\$ 16,036</u></b>

See notes to financial statements

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

**Notes to the Financial Statements  
For the Year Ended December 31, 2011**

The Terrebonne Parish Recreation District No 8 was created by the Terrebonne Parish Council under La Revised Statute 33 4562 and legally constitutes a body corporate and has the power and right to incur debts and enter into contract and to perform any and all acts in its corporate name that are necessary or proper for carrying out the objects and purposes for which the recreations district is created. This district provides maintenance and operations of recreation facilities, equipment, etc. for the residents of Ward 8 of the Parish of Terrebonne. The District is governed by 5 Commissioners who are appointed by the Terrebonne Parish Council.

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A.      Basis of Presentation**

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **B.      Reporting Entity**

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 8, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and its component unit and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2011.

#### **C.      Fund Accounting**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:



## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Fund Accounting (continued)**

##### **Governmental Fund Type**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds

General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

#### **D.      Measurement Focus / Basis of Accounting**

##### ***Fund Financial Statements (FFS)***

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **D.      Measurement Focus / Basis of Accounting (continued)**

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2010 property taxes which were levied to finance the 2011 budget are recognized as revenue in 2011. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

#### ***Government-Wide Financial Statements (GWFS)***

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services, program revenues reduce the cost of the function.

**General Revenues** - Taxes and other items not properly included among program revenues are reported instead as general revenues.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **E.      Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **F.      Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process.

The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget during the year for the year ended December 31, 2011. All budgeted amounts that are not expended or obligated through contracts lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America

#### **G.      Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

#### **H.      Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **I. Capital Assets**

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets purchased or acquired with an original cost of \$500 or more are recorded in the GWFS. Capital assets with an estimated historical cost amounted to approximately \$800,000 or 56% of the total capitalized cost of assets. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<b>CATEGORY</b>	<b>LIFE</b>
BUILDINGS	7-40 YEARS
IMPROVEMENTS	5-25 YEARS
FURNITURE & EQUIPMENT	5-20 YEARS

#### **J. Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, and
2. imposed by law through constitutional provisions or enabling legislation.

#### **K. Fund Equity**

For government-wide financial statements net assets are classified and displayed in three components.

- 1 Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any
- 2 Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Fund Equity (continued)**

3. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity's board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the entity's board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes

### **Note 2                      DEPOSITS**

A summary of deposits are listed as follows:

	<b>Bank Balance</b>	<b>Reported Amount</b>
<b>Cash</b>	\$304,524	\$296,095
<b>Certificates of deposit</b>	27,946	27,943
<b>Totals</b>	\$332,470	\$324,038

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 2                      DEPOSITS (continued)**

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the Terrebonne Parish Recreation District No. 8. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end \$82,470 of the bank balance of deposits was considered exposed to custodial credit risk. At December 31, 2011 these deposits in excess of FDIC were insured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand

### **Note 3                      AD VALOREM TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2011 was 9 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 8 for the purpose of acquiring, constructing, maintaining and operating recreation facilities within the District, including purchases of equipment

## **TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

### **Note 4 CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
<b>NON-DEPRECIABLE ASSETS</b>				
Land	\$70,820			\$70,820
<b>DEPRECIABLE ASSETS</b>				
<b>COST</b>				
Buildings	820,770			820,770
Improvements other than buildings	220,629			220,629
Furniture & equipment	316,526	5,820		322,346
Total cost of depreciable assets	1,357,925	5,820		1,363,745
<b>ACCUMULATED DEPRECIATION</b>				
Buildings	643,432	20,519		663,951
Improvements other than buildings	114,608	15,103		129,711
Furniture & equipment	183,914	17,375		201,289
Total accumulated depreciation	941,954	52,997		994,951
Net depreciable assets	415,970			368,794
Net capital assets	\$486,791			\$439,614

Depreciation Expense of \$52,997 was recorded in the governmental activities.

### **Note 5 RISK MANAGEMENT**

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions, and natural disasters and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage.

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Notes to the Financial Statements  
For the Year Ended December 31, 2011

**Note 6      COMPENSATION OF BOARD MEMBERS**

Total compensation of \$1,375 was paid to the following Board Members:

Sue Adams	\$300
Charles Bellizana	\$300
Darrell Hebert	\$275
Johnny L. Marks	\$225
Roosevelt Seymore	\$275



***REQUIRED SUPPLEMENTAL  
INFORMATION***

**TERREBONNE PARISH RECREATION DISTRICT NO. 8**

Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2011

	Budgets			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$269,000	\$259,100	\$259,887	\$ 787
State Revenue Sharing	4,500	4,660	4,661	1
Facility Rentals	2,500	4,200	4,200	-
TPCG Grant - Day Camp	15,500	15,825	15,825	-
Miscellaneous	500	625	625	-
Interest	500	900	923	23
<b>TOTAL REVENUES</b>	<u>292,500</u>	<u>285,310</u>	<u>286,121</u>	<u>811</u>
<b>EXPENDITURES</b>				
General government - current				
Ad valorem tax deductions	11,500	9,500	19,025	(9,525)
Ad valorem tax adjustments	500	100	-	100
	<u>12,000</u>	<u>9,600</u>	<u>19,025</u>	<u>(9,425)</u>
Recreational - current				
Salaries & Wages	76,800	74,650	71,579	3,071
Payroll Taxes	6,300	5,950	4,713	1,237
Workmen's Compensation	4,500	3,000	3,189	(189)
Office Supplies	3,000	2,500	1,571	929
Gasoline & Oil	3,000	4,000	2,968	1,032
Operating Supplies	36,000	25,000	14,488	10,512
Day Camp Program	2,000	1,700	4,587	(2,887)
Utilities	17,000	15,000	13,012	1,988
Telephone	2,000	2,000	1,227	773
Other Contracts	10,000	8,700	7,011	1,689
General Liability Insurance	4,700	4,500	4,342	158
Building Insurance	24,000	22,000	21,780	220
Professional Fees	3,300	4,500	3,267	1,233
Publish Proceedings/Ads	1,000	1,500	-	1,500
Accounting Fees	7,900	7,950	7,945	5
Miscellaneous	10,422	10,498	-	10,498
Building Maintenance & Repairs	30,000	25,000	6,062	18,938
Grounds Maintenance & Repairs	30,000	55,000	19,769	35,231
Equipment Repairs & Maintenance	10,000	15,000	10,553	4,447
Total recreational - current	<u>281,922</u>	<u>288,448</u>	<u>198,063</u>	<u>90,385</u>
Capital expenditures	-	-	5,820	(5,820)
<b>TOTAL EXPENDITURES</b>	<u>281,922</u>	<u>288,448</u>	<u>203,883</u>	<u>75,140</u>
Revenues over (under) expenditures	(1,422)	(12,738)	63,213	75,951
<b>FUND BALANCES</b>				
Beginning of year	2,910	163,819	163,818	(1)
End of year	<u>\$ 1,488</u>	<u>\$ 151,081</u>	<u>\$ 227,031</u>	<u>\$ 75,950</u>

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Commissioners of  
Terrebonne Parish Recreation District No. 8

We have audited the financial statements of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2011, and have issued our report thereon dated May 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Terrebonne Parish Recreation District No. 8's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a remote possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Terrebonne Parish Recreation District No. 8's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Commissioners, management the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

Thibodaux, LA  
May 5, 2012



**Terrebonne Parish Recreation District No. 8**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**For the Year Ended December 31, 2011**

We have audited the basic financial statements of the Terrebonne Parish Recreation District No. 8, component units of Terrebonne Parish Consolidated Government, which collectively comprise the basic financial statements as of and for the year ended December 31, 2011, and have issued our report thereon dated May 5, 2012. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The opinion issued on the basic financial statements was unqualified

**Section I - Summary of Auditor's Reports**

**a Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

**Compliance**

Compliance Material to Financial Statements ☐ Yes ☒ No

**b Federal Awards N/A**

**Internal Control**

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

Type of Opinion On Compliance

Unqualified ☐ ☐ ☐ ☐ Qualified ☐

For Major Programs

Disclaimer ☐ ☐ ☐ ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☒ No

**c Identification of Major Programs N/A**

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☒ No

**Section II Financial Statement Findings**

**NONE**

